January 19, 1956

To The Board of Directors
San Fernando Valley Federal Savings
            and Loan Association
6842 Van Nuys Boulevard
Van Nuys, California

Gentlemen:

        The San Fernando Valley Federal Savings and Loan
Association is now firmly established in a new building and
has had a most successful year during 1955. As the state-
ment shows, gross assets are now almost thirty millions of
dollars. Cash and government bonds of over three million
seven hundred thousand together with an $8\frac{1}{2}\%$ reserve fund
indicate a very sound and liquid position - one in which we
can take great pride. Our reputation in the community and
the industry generally is excellent.

        After more than thirty years as Founder and
President, I now feel that the time has come to turn the
helm over to someone else and I hereby tender my resigna-
tion as President. If the Board should so desire I will
be glad to continue as Chairman of the Board. It is not
my intention to sever all connections. On the contrary,
it is my desire to continue on the Board and of course to
keep my interest in the Association financially. My friends
and acquaintences will be so advised.

        Progress such as we have made requires hard work
and careful planning. I would admonish my successor to
continue to be vigilent, to remain conservative and to
continually strive for the improvement of the investment
position of Valley Federal. The interests of the members
must always be kept uppermost in our minds. We would not
wish to have so many years of successful effort marred by
reverses if it is humanly possible to avoid them.

        Economic conditions can and have changed many
times over the years. We must always avoid taking un-
necessary risks particularly since we are entrusted with

the funds of others. Let us continue to pay reasonable
dividends, charge reasonable fees and continue to build a
sound financial institution!

I resign with deep appreciation to all who have
helped so loyally through the years to maintain the high
standards by which we have builded.

Very sincerely,

W. P. Whitsett